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Message Text

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ACTION XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-07 AID-05 TRSE-00 COME-00

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R 302310Z JAN 76
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 2733

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E.O. 11652: N/A
TAGS: BPRO, MX
SUBJ: EXIMBANK GUARANTEE FOR SALE OF ONE CITATION JET MODEL 140
TO A NEW COMPANY FORMED BY UTILITY S.A., TORREON; CEREALES
SELECCIONACLOES, DURANGO AND NIVELACIONES Y OBRAS CIVILES
S.A., TORREON, MEXICO

REF: STATE 016296

1. AMCONGEN MONTERREY HAS SUPPLIED THE FOLLOWING INFORMA-
TION, AS REQUESTED REFZHL:

" A LOCAL TORREO
BANK PROVIDED THE FOLLOWING INFORMATION
ON ABOVE MENTIONED FIRMS:

1. UTILITY, S.A. IS OWNED BY MR. MIGUEL GANCZ LOSHAK,
SON OF ISIDORO GANCZ, VERY WELL KNOWN AND REGARDED LONG
TIME LUMBER DEALER IN THE TORREON AREA. HIS SON MIGUEL
GANCZ HAS ALSO DONE VERY WELL, BUT BECAUSE OF YOUTH (35)
IS BELIEVED TO BE 'TOO AMBITIOUS' AND HAS CONSEQUENTLY
HAD FINANCIAL PROBLEMS; IN OCTOBER 1974 HE OWED THE
INFORMING BANK 1,251,000 PESOS (THE LOAN WAS A PREFERENTIAL
LOAY TYPE WITH A MORTAGE GUARANTEE) AND IN VIEW OF THE
PROBLEMS ENCOUNTED IN THE COLLECTION OF THE LOAN, THE
BANK INSISTED ON HANDLING ALL OF THE BUSINESS OF MIGUEL
GANCZ; CONSEQUENTLY THE PENDING DEBT HAS BEEN REDUCED
AS OF JANUARY 1976 TO 248,000 PESOS; THE BANK INDICATES
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IT WOULD LEND TO THE FIRM, BUT IT WOULD LIMIT AMOUNTS
TO 200,000 PESOS (DIRECT LOANS WITHOUT ANY OTHER MORTAGE

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GUARANTEE); BANK BELIEVES THAT THE FIRM HAS OTHER LOANS
FROM OTHER INSTITUTIONS WITH OTHER MORTGAGE GUARANTEES.
UTILITY, S.A. IS ENGAGED IN THE MANUFACTURE OF CHILDREN'S
TOYS MADE OUT OF TUBULAR METAL; THE FIRM'S TOTAL ASSETS
ARE ESTIMATED TO BE 3,500,000 PESOS, WHILE ITS CURRENT
LIABILITIES ARE BELIEVED TO BE 1,500,000 PESOS, I.E. A
WORKING CAPITAL OF 2,000,000 PESOS. MR. MIGUEL GANCZ IS
PRESENTLY THE VICE PRESIDENT, AT A NATIONAL LEVEL, OF THE
NATIONAL CHAMBER OF MANUFACTURES AND CONSEQUENTLY TRAVELS
A GREAT DEAL.

2. NIVELACION Y OBRAS CIVILES, S.A. IS OWNED BY MR.
HUMBERTO WILEY CARDENAS, WHO IS WELL KNOWN IN THE TORREON
AREA FOR THE CONTRACTS HE HAS SECURED WITH THE MEXICAN
GOVERNMENT FOR THE CONSTRUCTION OF ROADS, HIGHWAYS, ETC.,
ALL GOVERNMENT PUBLIC WORKS; THE MEXICAN GOVERNMENT
NORMALLY OWES HIM MORE THAN 3,000,000 PESOS; HIS FIRM'S
ASSETS ARE ESTIMATED TO BE 7,000,000 PESOS, WHILE HIS
CURRENT LIABILITIES (NOT COUNTING GOVERNMENT'S DEBT) ARE
BELIEVED TO BE 1,500,000 PESOS I.E., HIS WORKING CAPITAL
IS ABOUT 5,500,000 PESOS; HE IS ALSO KNOWN TO BE
INITIATING ANOTHER FIRM CALLED PICSA, WHICH WILL MANU-
FACTURE IMPLEMENTS OF THE TYPE USED IN ROAD AND HIGHWAY
CONSTRUCTION. THE BANK RECOMMENDS THAT MR. HUMBERTO
WILEY'S SIGNATURE BE REQUIRED AS ENDORSER OF THE LOAN
IN THE AIRCRAFT SALES TRANSACTION.

3. CEREALES SELECCIONADOS, S.A. IS A PART OF A GROUP OF
FIRMS OWNED BY MR. FERNANDO GARZA RODRIGUEZ, ALL ENGAGED
IN THE HANDLING OF CEREAL CROPS IN THE WELL KNOWN
AGRICULTURALLY RICH LAGUNA AREA; THE TOTAL ASSETS OF THE
FIRM ARE ESTIMATED TO BE 5,000,000 PESOS WITH CURRENT
LIABILITIES AT 1,500,000 PESOS, I.E. A WORKING CAPITAL
OF 3,500,000 PESOS. THE TOTAL WORTH OF THE GROUP, WHICH
ALSO NOW IS DOING BUSINESS IN THE STATE OF ZACATECAS,
IS 5,000,000 PESOS. THE BANK RECOMMENDS THAT MR. FERNANDO
GARZA RODRIGUEZ'S SIGNATURE AS ENDORSER OF THE LOAN ALSO
BE REQUIRED IN THE SALES TRANSACTION. ANOTHER LOCAL
TORREON BANK HAS LOANED FIRM UP TO 1,000,000 PESOS WITH
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A GOOD RECORD OF PAYMENT OF COMMERICAL OBLIGATIONS.

4. WE PERCEIVE NO RPT NO REASON FOR EXIMBANK NOT TO GIVE
FAVORABLE CONSIDERATION TO REQUEST FOR FINANCING GUARANTEE,
ESPCIALLY IN VIEW OF THE OVERALL REPUTATION AND FINANCIAL
SITUATION OF THE TRIPLE COMPOSITION OF THE PURCHASING
COMPANY; WE ARE UNAWARE OF ANY POLITICAL OR OTHER
REASON FOR EXIMBANK REJECTION OF THE GUARANTEE."

2. EMBASSY CONCURS WITH THE ABOVE.

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